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FISCAL IMPACT STATEMENT

LS 6595 | **NOTE PREPARED:** Mar 1, 2010
BILL NUMBER: SB 401 | **BILL AMENDED:** Feb 15, 2010

SUBJECT: Petitioners and Remonstrators for Local Debt.

FIRST AUTHOR: Sen. Yoder | **BILL STATUS:** Enrolled
FIRST SPONSOR: Rep. Goodin

FUNDS AFFECTED: **GENERAL** **DEDICATED** **FEDERAL** | **IMPACT:** Local

Summary of Legislation: (Amended) *Remonstrators for Local Debt:* This bill permits an owner of a mobile home or a manufactured home that is used as a principal place of residence and that is assessed as personal property within a political subdivision to participate in the petition and remonstrance process for the issuance of debt or execution of a lease on a controlled project by the political subdivision.

School Tax Levy Referendum: The bill also requires the governing body of a school corporation that adopts a resolution to conduct a referendum for a tax levy to certify the resolution to both the Department of Local Government Finance and the county fiscal body of each county in which the school corporation is located. (Current law does not require the governing body to certify the resolution to the Department of Local Government Finance.)

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Remonstrators for Local Debt:* Under current law, a petition requesting the application of a petition and remonstrance process on a controlled project may be filed by the lesser of:

a. 100 persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision.

b. 5% of the registered voters residing within the political subdivision.

This bill extends the eligibility to participate in requesting the application of a petition and remonstrance process to a taxpayer who uses a mobile home or manufactured home assessed as personal property as the taxpayer's homestead, and for which the taxpayer receives the standard property tax deduction under current law.

Since, under current law, owners of personal property only are not eligible to participate in the petition/ remonstrance process unless they are registered voters, the impact of this bill would depend on the number of owners of mobile homes or manufactured homes who are not currently registered voters. If the majority of owners of mobile homes or manufactured homes are currently registered voters, then they are already eligible to participate in the initiation of a petition under condition ‘b’ above, and this bill would probably have limited impact.

On the other hand, if the majority of owners of mobile homes or manufactured homes are not currently registered voters, then these individuals, under this bill, would be added to the pool of taxpayers who can participate in a petition application under condition ‘a’ above. This might make it easier for opponents of a controlled project to request a petition application. The fiscal impact of this bill would depend on whether a smaller number of controlled projects would be permitted to proceed to the petition/remonstrance process under this legislation than under current law.

Background: According to the Census Bureau, there were approximately 166,733 mobile homes in Indiana in 2000, so this number has probably increased in the ensuing years. In 2009, there were approximately 3.5 million owners of real property in the state. Mobile/manufactured homes comprise just under 4.5% of the total number of real property and mobile/manufactured homes.

Explanation of Local Revenues: *(Revised) School Tax Levy Referendum*: Under current law, there are school districts that before 2002 approved (via a referendum) an excessive property tax levy for the school corporation in the district. These school corporations, at their discretion, could adopt a resolution before September 21, 2005, allocating the tax levy to a fund other than the school corporation’s general fund. A certified copy of the resolution had to be sent to Department of Local Government Finance (DLGF) and the county auditor.

For property taxes payable in 2006 and after, the resolution also permitted these school corporations to levy an additional amount for the fund up to the amount of the original excessive tax levy. The authority to do so expires on December 31, 2012, unless the school corporation adopts a resolution before January 1, 2013, extending or reimposing the levy. The levy extension must also be approved by a referendum before January 1, 2013.

Under current law, a certified copy of the resolution extending the levy beyond December 31, 2012, does not have to be sent to the DLGF; it only has to be sent to the county auditor. This bill addresses this inconsistency and stipulates that the resolution must also be sent to the DLGF just as the original resolution had to be forwarded to the department. The fiscal impact would be minimal.

State Agencies Affected: DLGF

Local Agencies Affected: Local taxing units; Applicable school corporations

Information Sources: OFMA Property Tax Database; Census Bureau website: http://www.census.gov/

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